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California State Senate

SENATOR
TED W. LIEU

TWENTY-EIGHTH SENATE DISTRICT

CHAIR
BUSINESS, PROFESSIONS AND
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MEMBER
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GOVERNMENTAL ORGANIZATION
INSURANCE
VETERANS AFFAIRS



July 31, 2013

Chief Tonya Hoover
State Fire Marshal
PO Box 944246
Sacramento, CA 94244-2460

Via fax and mail

Dear Chief Hoover:

I represent the 28th Senate District, which includes San Pedro and Rancho Palos Verdes. There have been longstanding concerns raised by constituents and government officials regarding the safety of a liquid bulk storage facility located at 2110 North Gaffey Street in San Pedro. Owned and operated by Rancho LPG Holdings, LLC., this facility stores more than 25 million gallons of hazardous material, including butane in two large 40-year-old tanks and propane in other tanks. The tanks are located across a street from homes, businesses, and schools. The recent explosions at the Blue Rhino propane plant in Tavares, Florida on July 29th show the potentially catastrophic dangers of large butane and propane tanks. Such tanks should not be located near densely populated areas.

In light of the recent propane explosions in Florida—and past explosions in Kansas, Texas, and other places—I am writing to respectfully request that the Office of the State Fire Marshal conduct an investigation and risk analysis of the Rancho LPG facility. After the Rancho LPG facility was permitted, a Los Angeles Times article stated at the time that an adequate safety and risk analysis was not conducted. I am also informed the amount of explosive propane at this facility is 50 times more than the Blue Rhino facility in Tavares, Florida. I am also informed that butane is as hazardous, if not more hazardous, than propane. Some of the issues I would like your office to investigate include, but are not limited to, the following:

1. Should massive butane and propane tanks be located near homes, businesses, and schools? If not, how far away from densely populated areas should such a facility be located?
2. If the butane or propane tanks at Rancho LPG exploded, what is the worst case scenario?

3. What level earthquake could the Rancho LPG facility withstand without an explosion or other major catastrophe? What happens if an earthquake beyond the level of which Rancho LPG could withstand were to occur?
4. How susceptible is Rancho LPG to a terrorist attack?
5. What happens if the butane or propane tanks start leaking?
6. What type of insurance, and in what amount, does Rancho LPG carry, if any?
7. What recommendations, if any, are there that could make the facility safer?
8. Would relocating the facility to a further away location prevent loss of life or property should explosions or other catastrophic events occur at the Rancho LPG facility?

As you know, butane and propane accidents have occurred in other locations and have resulted in deaths, injuries, and significant property damage. Last October, a propane company in Kansas relocated its facility after a deadly explosion killed a worker and destroyed homes. In 1987, a butane explosion at a chemical plant in Texas killed three people and blew out windows in buildings six miles away. Butane and propane explosions have also occurred around the world, causing deaths and property damage.

Rancho LPG has already committed a series of environmental violations. The federal Environmental Protection Agency is handling those issues. I am requesting your office to address the safety, risk, and fire issues involved with having massive butane and propane tanks located near densely populated areas in San Pedro and Rancho Palos Verdes.

Thank you for your attention to this important matter. I am also happy to meet with you to discuss this issue. If you have any questions regarding this letter, please contact me at (310) 318-6994.

Sincerely,



TED W. LIEU
Senator, 28th District

cc:

Rancho LPG Holdings, LLC.
Congresswoman Janice Hahn
Congressman Henry A. Waxman
Assemblywoman Bonnie Lowenthal
Los Angeles County Supervisor Don Knabe
Los Angeles City Councilman Joe Buscaino